

UNITED STATES BANKRUPTCY COURT

Eastern DISTRICT OF Washington

In re: Hotel at Southport LLC

§
§
§
§

Case No. 24-01520

Lead Case No. 24-01519

Debtor(s)

☒ Jointly Administered

Post-confirmation Report

Chapter 11

Quarter Ending Date: 12/31/2024

Petition Date: 09/20/2024

Plan Confirmed Date: 11/26/2024

Plan Effective Date: 12/12/2024

This Post-confirmation Report relates to: ☒ Reorganized Debtor

☐ Other Authorized Party or Entity: _____

Name of Authorized Party or Entity

/s/Jason Wax

Signature of Responsible Party

02/24/2025

Date

Jason Wax, Bush Kornfeld LLP

Printed Name of Responsible Party

601 Union St, Suite 5000, Seattle, WA 98101

Address

STATEMENT: This Periodic Report is associated with an open bankruptcy case; therefore, Paperwork Reduction Act exemption 5 C.F.R. § 1320.4(a)(2) applies.

Part 1: Summary of Post-confirmation Transfers

	Current Quarter	Total Since Effective Date
a. Total cash disbursements	\$92,561,076	\$0
b. Non-cash securities transferred	\$0	\$0
c. Other non-cash property transferred	\$0	\$0
d. Total transferred (a+b+c)	\$92,561,076	\$0

Part 2: Preconfirmation Professional Fees and Expenses

a.			Approved Current Quarter	Approved Cumulative	Paid Current Quarter	Paid Cumulative
	Professional fees & expenses (bankruptcy) incurred by or on behalf of the debtor		\$0	\$0	\$0	\$0
	Itemized Breakdown by Firm					
		Firm Name	Role			
	i			\$0	\$0	\$0
	ii					
	iii					
	iv					
	v					
	vi					
	vii					
	viii					
	ix					
	x					
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	xiii					
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xcviii						
xcix						
c						
ci						

b.			Approved Current Quarter	Approved Cumulative	Paid Current Quarter	Paid Cumulative	
	Professional fees & expenses (nonbankruptcy) incurred by or on behalf of the debtor <i>Aggregate Total</i>		\$19,555	\$0	\$19,555	\$0	
	<i>Itemized Breakdown by Firm</i>						
		Firm Name	Role				
	i	Mayer Brown LLP	Other	\$19,555	\$0	\$19,555	\$0
	ii						
	iii						
	iv						
	v						
	vi						

	vii					
	viii					
	ix					
	x					
	xi					
	xii					
	xiii					
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	xcv						
	xcvi						
	xcvii						
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	xcix						
	c						
	ci						
c.	All professional fees and expenses (debtor & committees)			\$0	\$0	\$0	\$0

Part 3: Recoveries of the Holders of Claims and Interests under Confirmed Plan

SEE ATTACHED	Total					
	Anticipated	Paid Current	Paid Cumulative	Allowed Claims	% Paid of	
	Payments	Quarter			Allowed	
	Under Plan				Claims	Claims
a. Administrative claims	\$0	\$0	\$0	\$0	0%	
b. Secured claims	\$0	\$0	\$0	\$0	0%	
c. Priority claims	\$0	\$0	\$0	\$0	0%	
d. General unsecured claims	\$0	\$0	\$0	\$0	0%	
e. Equity interests	\$0	\$0	\$0			

Part 4: Questionnaire

a. Is this a final report? Yes ☐ No ☒

If yes, give date Final Decree was entered: _____

If no, give date when the application for Final Decree is anticipated: 03/31/2025

b. Are you current with quarterly U.S. Trustee fees as set forth under 28 U.S.C. § 1930? Yes ☐ No ☒

Privacy Act Statement

28 U.S.C. § 589b authorizes the collection of this information and provision of this information is mandatory. The United States Trustee will use this information to calculate statutory fee assessments under 28 U.S.C. § 1930(a)(6) and to otherwise evaluate whether a reorganized chapter 11 debtor is performing as anticipated under a confirmed plan. Disclosure of this information may be to a bankruptcy trustee when the information is needed to perform the trustee's duties, or to the appropriate federal, state, local, regulatory, tribal, or foreign law enforcement agency when the information indicates a violation or potential violation of law. Other disclosures may be made for routine purposes. For a discussion of the types of routine disclosures that may be made, you may consult the Executive Office for United States Trustee's systems of records notice, UST-001, "Bankruptcy Case Files and Associated Records." *See* 71 Fed. Reg. 59,818 et seq. (Oct. 11, 2006). A copy of the notice may be obtained at the following link: http://www.justice.gov/ust/eo/rules_regulations/index.htm. Failure to provide this information could result in the dismissal or conversion of your bankruptcy case, or other action by the United States Trustee. 11 U.S.C. § 1112(b)(4)(F).

I declare under penalty of perjury that the foregoing Post-confirmation Report and its attachments, if any, are true and correct and that I have been authorized to sign this report.

/s/Michael Christ

Signature of Responsible Party

Member

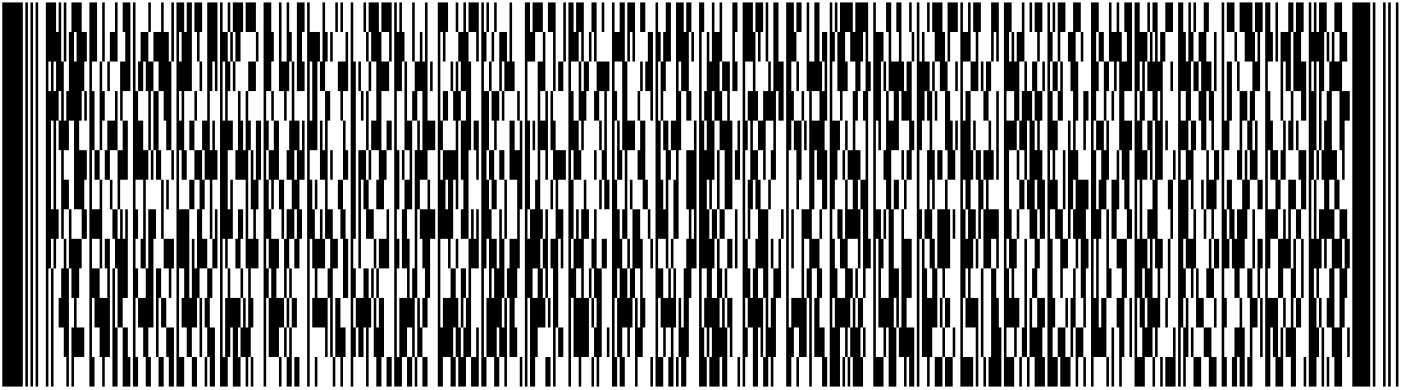
Title

Michael Christ

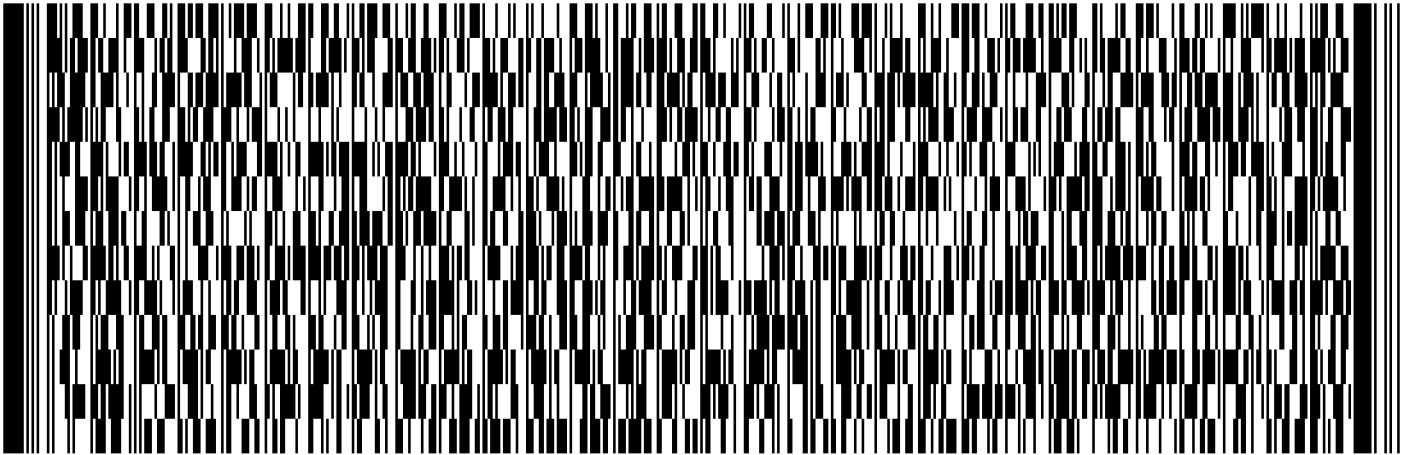
Printed Name of Responsible Party

02/24/2025

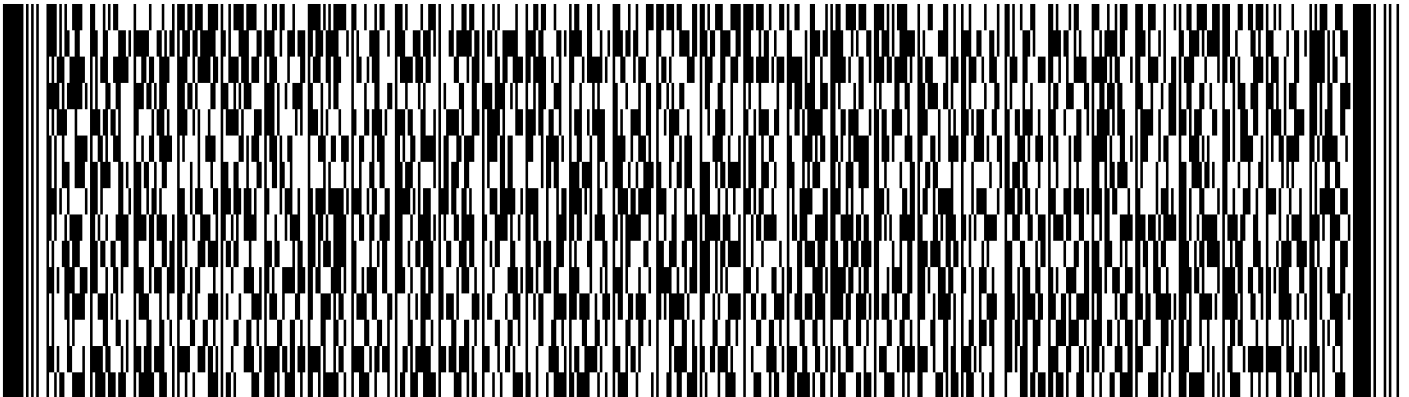
Date



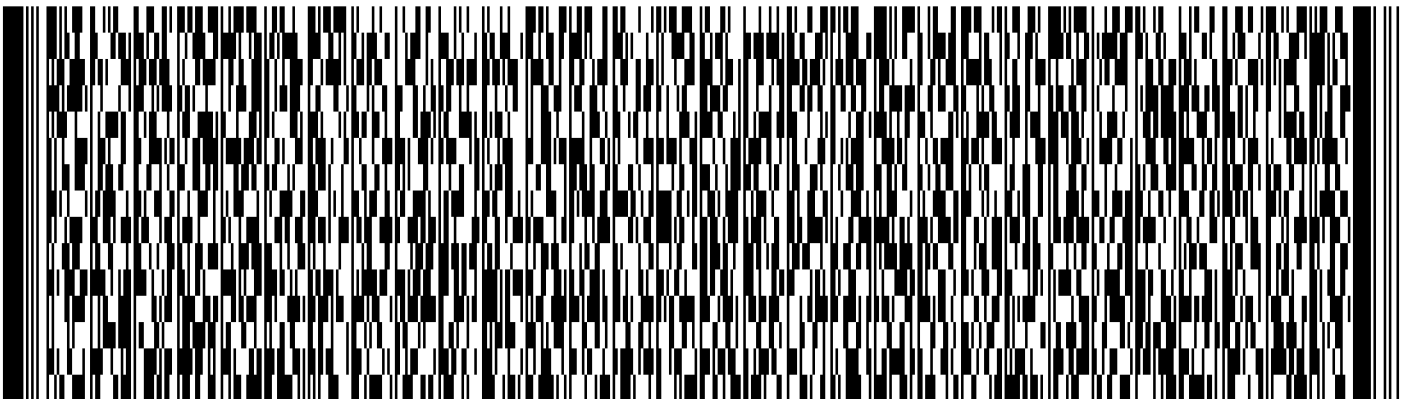
Page 1



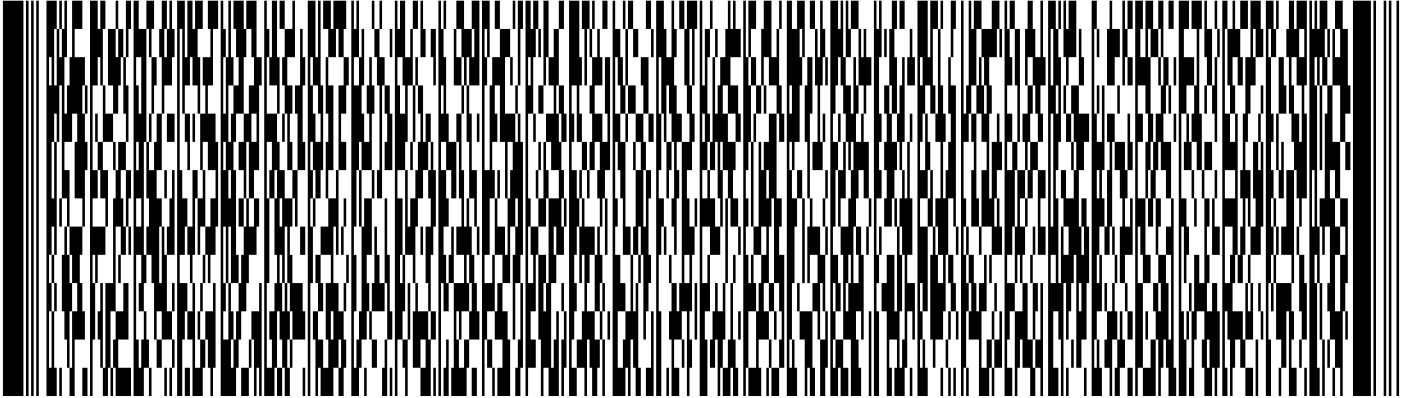
Other Page 1



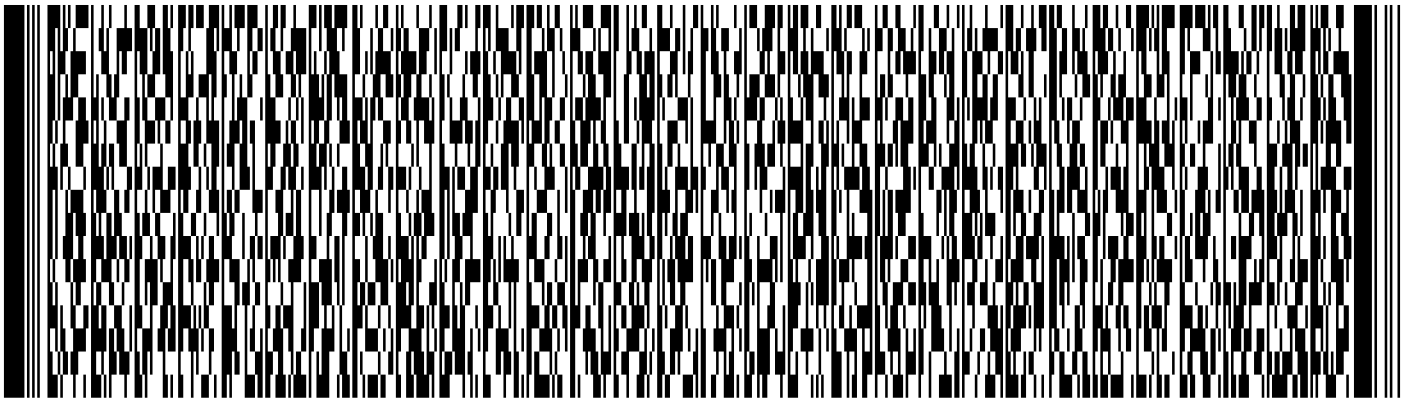
Page 2 Minus Tables



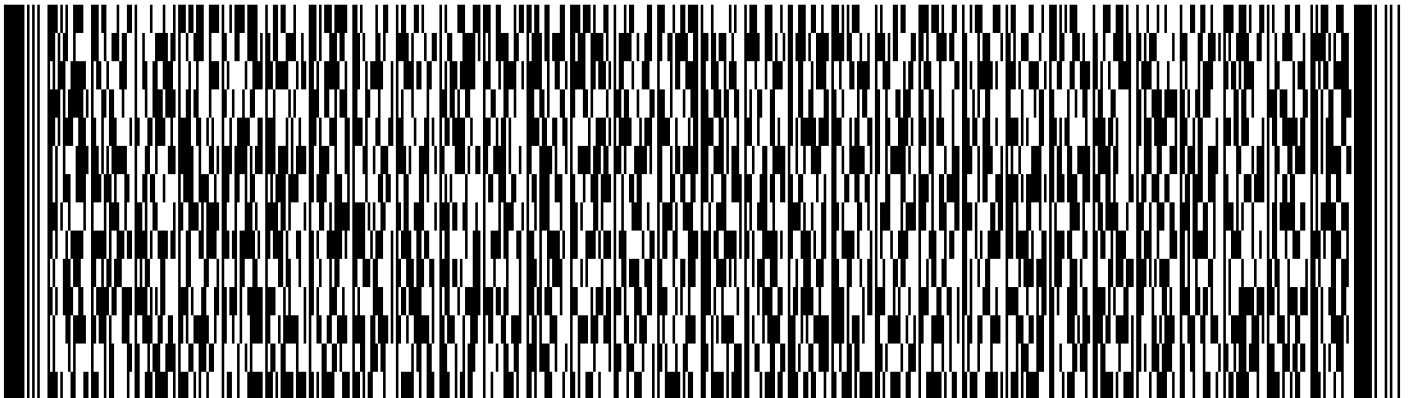
Bankruptcy Table 1-50



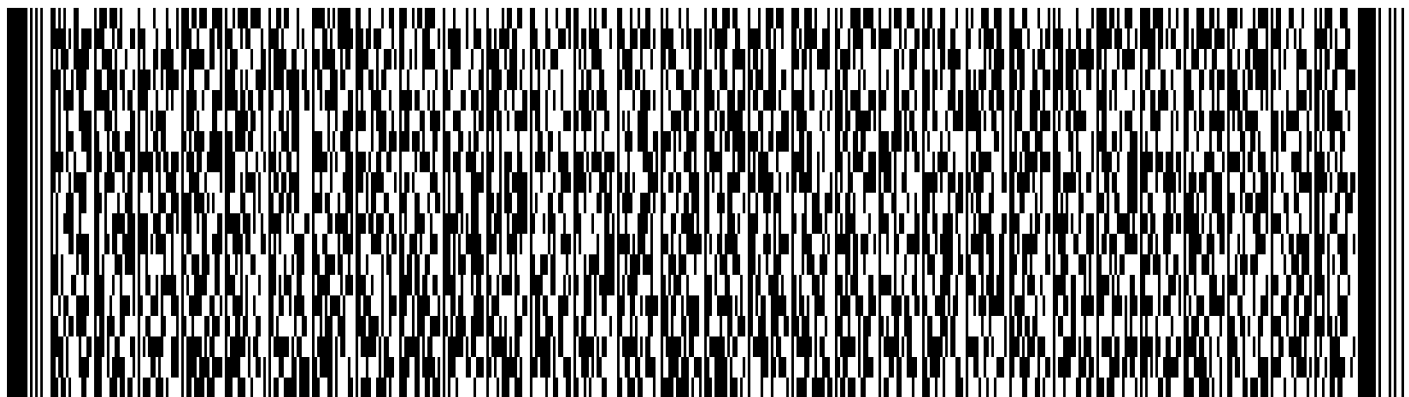
Bankruptcy Table 51-100



Non-Bankruptcy Table 1-50



Non-Bankruptcy Table 51-100



Part 3, Part 4, Last Page

PART 3 – ATTACHMENT

This case involved three jointly-administered chapter 11 cases: 1 Min, LLC (“EB-5 Debtor”), Case No. 24-01519 (the lead case); Hotel at Southport, LLC (“Hotel Debtor”), Case No. 24-01520; and Twelfth Floor, LLC (“Mezz Debtor”), Case No. 24-01521, and the sale of a Hyatt Regency hotel that Hotel Debtor owned. The bankruptcy court confirmed a joint plan of reorganization on November 27, 2024, and the sale closed on or about December 12, 2024.

From the closing of the sale, the Class 1 secured claim was paid in full (in the amount of \$91,876,486), as were the other amounts reflected in the left-hand column of the attached settlement statement. The following day, funds in the amount of \$20,332,058 were distributed in partial payment of the Class 2 secured claim, leaving an unpaid remaining balance of the Class 2 claim of about \$20 million, and funds in the amount of \$32,450,000 (the “Set-Aside Funds”) were reserved pending further proceedings, primarily the bankruptcy court’s determination of the claims asserted in *Cai et al. v. Hotel at Southport, LLC et al.*, Adv. Proc. 25-80007 (the “EB-5 Lawsuit”), in which each of the debtors is joined as a defendant.

If the bankruptcy court allows a claim in favor of the plaintiffs in the EB-5 Lawsuit against Hotel Debtor, that claim will be paid from the Set-Aside Funds after full payment of claims having a higher priority (primarily the Debtors’ attorney fees and costs, which at this time are impossible to estimate) and fees owing under 28 U.S.C. section 1930(a)(6). If there remains any Set-Aside Funds, such will be distributed to the holder of the Class 2 claim.

If the bankruptcy court does not allow a claim against Hotel Debtor but allows a claim against Mezz Debtor, then the Set-Aside funds will be used to pay the remaining amount of the Class 2 secured claim, then priority claims, then the allowed amount of the claim against Mezz Debtor. If funds remain following the preceding distributions, such funds will be distributed to EB-5 Debtor.

If the bankruptcy court does not allow a claim against Hotel Debtor or Mezz Debtor, then the Set-Aside funds will be used to pay the remaining amount of the Class 2 secured claim (including attorney fees and costs the holder of the Class 2 claim incurs), then to priority claims, with remaining funds distributed to EB-5 Debtor.

Estimated Settlement Statement

Seller		Buyer	
Debit	Credit	Debit	Credit
	Payoffs (continued) Legal, Admin & Misc Expenses 1,415.31 Total Payoff <u>90,876,486.83</u>		
	Total Commissions Listing Broker Commission to CBRE, Inc. \$157,000,000.00 @ 1.0000% = \$1,570,000.00		
1,570,000.00	Loan Charges \$5,471,480.03 Future Funding Amount to Deutsche Bank AG, New York Branch, its successors and/or assigns 4,070,000.00 Good Faith Deposit to Deutsche Bank AG, New York Branch, its successors and/or assigns 200,000.00 Good Faith Deposit to Deutsche Bank AG, New York Branch, its successors and/or assigns 200,000.00 Structuring Fee to Deutsche Bank AG, New York Branch, its successors and/or assigns 1,037,500.00 Out of Pocket Expenses to Deutsche Bank AG, New York Branch, its successors and/or assigns 4,220.59 Stub Interest to Deutsche Bank AG, New York Branch, its successors and/or assigns 456,700.53 Tax Escrow Holdback to Deutsche Bank AG, New York Branch, its successors and/or assigns 303,058.91		
6,063.75	Title/Escrow Charges Escrow Fee (one half) to Fidelity National Title Company of Washington, Inc. 6,063.75		
76,246.69	Owner's Policy Premium to Fidelity National Title Company of Washington, Inc. 51,203.41 Coverage: \$157,000,000.00 Version: ALTA Owner's Policy 2021 w-WA Mod		
	Endorsements to Fidelity National Title Company of Washington, Inc. 4,410.01		
1,653.75	Escrow Fee- Holdback to Fidelity National Title Company of Washington, Inc. Loan Policy Premium to Fidelity National Title Company of Washington, Inc. 275.63 Coverage: \$103,750,000.00 Version: ALTA Loan Policy 2021 w-WA Mod		
	Endorsements to Fidelity National Title Company of Washington, Inc. 4,272.20		
10.00	Recording Charges Excise Tax - bankruptcy exemption to King County Treasurer Consumer Use Tax to Department of Revenue 758,873.10 Recording Fees to Fidelity National Title Company of Washington, Inc. 2,500.00		

Estimated Settlement Statement

Seller		Buyer	
Debit	Credit	Debit	Credit
			Additional Charges
		1,185,000.00	Buyer Attorney Fee * to Gibson, Dunn and Crutcher LLP
		350,000.00	Lender Attorney Fee to Dechert LLP
			Personal Property Taxes 2024 to King County Treasurer P.O.C.\$119,826.81(S)*
81,142.28			Personal Property Taxes 2024 Advance to King County Treasurer
31,254.24			Sewage Cap Charges outstanding to King County Finance for 10/1 to 12/31/2024
		23,060.00	Legal Fees to Sharma, Smith & Gray, P.C.
		19,640.00	Legal Fees to Davis Wright Tremaine LLP
		40,136.00	Legal Fees to Davis Wright Tremaine LLP
1,570,000.00		0.00	Holdback \$1,570,000.00 in escrow- deducted from seller proceeds to Fidelity
19,555.00			Legal Fees to Mayer Brown LLP
		7,500.00	Appraisal to Cushman & Wakefield
		6,500.00	Revised Survey to Cushman & Wakefield
		2,600.00	Appraisal Review to SW Seaside
		2,600.00	Revised Appraisal Review to SW Seaside Services, LLC
		500.00	ESA/PCA/SRA Review to Hanover Street Capital, LLC
		27,263.73	Loan Processing Fee to Hanover Street Capital, LLC
		2,083.33	Servicing Fee to Hanover Street Capital, LLC
		1,550.00	Acceptance Invoice to Deutsche Bank Trust Co. Americas
		500.00	Acceptance Fee (CMA) to Partner Energy
		20,894.34	PCA to Rimkus
		422,400.00	Financial Placement Fee & Reimbursable Expenses to CBRE Capital Markets
		1,240.00	Zoning Invoice to Zoning Info, Inc.
		27,800.00	Insurance Risk Analysis and Flood Determination to Resilience
		217,225.00	Insurance Premium to Marsh USA LLC
		18,078.22	Entity Searches to LexisNexis Risk Solutions
		1,051.53	Insurance Invoice - Crime 837018813 to Hyatt Corporation
		19,654.18	Insurance Invoice - Employment 837018814 to Hyatt Corporation
		234,433.35	Insurance Invoice - Liability 837018815 to Hyatt Corporation
		33,870.34	Insurance Invoice - Wage & Hour 837018812 to

Estimated Settlement Statement

Seller			Buyer	
Debit	Credit		Debit	Credit
		Additional Charges (continued)		
		Hyatt Corporation		
		Searches to Cisive	5,280.44	
		Searches to Telos Legal Corp	2,056.00	
		Rate Cap to Wells Fargo Derivatives Group	25,000.00	
		Rate Cap Consultant to Pensford, LLC	5,560.00	
53,471,742.12		Funds Held Pending Instructions from Counsel to WF CREL 2020 Grantor Trust as Mezz lender & Counsel to Hotel at Southport LLC		
157,000,000.00	157,000,000.00	Subtotals	166,402,554.59	166,412,554.59
0.00		Balance Due TO Seller/Buyer	10,000.00	
157,000,000.00	157,000,000.00	Totals	166,412,554.59	166,412,554.59

*Paid outside of closing by seller (S)

See signature page to follow

SIGNATURE PAGE TO BE ATTACHED TO THE FOLLOWING DOCUMENT:

Closing Statement

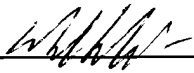
SELLER(S):

I have carefully reviewed the Settlement Statement, and to the best of my knowledge and belief, it is a true and accurate statement of all receipts and disbursements to be made on my account or by me in this transaction. I further certify that I have received a copy of the Settlement Statement.

Hotel at Southport LLC, a Delaware limited liability company

By:Seco Development, Inc., a Washington corporation
Its:Manager

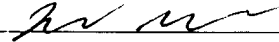
By: _____



Name:Michael P. Christ
Title:CEO

BUYER:

HRLW HOTEL LLC, a Delaware limited
liability company

By: 
Name: John Ginochio
Title: Authorized Signatory

[Signature Page to Settlement Statement]